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Voluntary - Public

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Fixed food prices and food availability

Report Categories:

Agricultural Situation

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Report Highlights:

Post provides the most recent news on food shortages and food price increases, per media reports.

General Information:

General

According to press reports, there is a threat of food shortages in the market as a consequence of low prices fixed prices, devaluation, and declining production. The Venezuelan food industry has been lobbying the Government (BRV) to revise prices for regulated and non-regulated products. Higher international prices as compared to internal controlled prices are making imports less profitable.

Food products missing in the market is because they are diverted from regular channels

The recently named Minister of Commerce, Richard Canan, has stated that there are no shortages of food products in the market. However, he recognized that there are problems with sugar. He said that the lack of products is an attempt by certain sectors to pressure the government to increase fixed prices.

CAVILAC expects milk availability to be regularized

The Venezuelan Chamber of Dairy Industries, CAVILAC, discards a shortage of dairy products in the country and explains that the shortage of milk in the market is due to an administrative problem with the exchange rate adjustment which delayed the process of import licensing.

Cavilac's president Roger Figueroa pointed out that the Executive is aware of the problem, so they are confident that there should be no overall shortage of milk. He said that meanwhile the inventory will be managed. Figueroa indicated that the Camber will meet again today with officials of the Ministry of Food to solve the situation, while still waiting for an adjustment to the price band.

Executive monitors the prices of non-controlled food products

The Government has requested the cost structures of products that are not subject to price control in order to prevent price increases that are not justified. Richard Canan, Minister of Commerce, said that "all products, even those that are not regulated and are under review to ensure that price increase have not been speculative." In the case of the regulated food products, revisions will be made when it is found that there has been increase in the cost structures.

The Minister added that he will not accept pressure from any sector for getting increases. "Whoever does not wish to produce at today's prices can leave the plant to the State and we make it produce." He added that the State already has 57 food industries, knows about food costs and is able to guarantee supply.

The Executive also met with food suppliers in order to request that food distribution continues to the Bicentenario State Hypermarket chain, (former French supermarket chain, Casino, which was recently expropriated.) The Minister pointed out that the mobilization guides issued by SADA can control the industry food distribution to the extent of identifying any food deviation. He said that if some companies want to conspire against the Government, the Consumer Protection Agency and SADA will be able to ensure that the merchandise arrives to the whole chain and to the consumer.